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AUTHOR Avila, Linda
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ABSTRACT

Research has indicated that the quality and quantity of programs offered through special education are dictated by available funding rather than the needs of the handicapped students. To fill the lack of information on the amount of local funding made available for special education programming, on-site visits to interview special education directors, district business/financial managers, and superintendents in six demographically diverse Texas public school districts were conducted. Issues examined included;(1) the amount and allocation of local revenues for special education; (2) the relationship between local special education expenditures and the district's per-pupil valuation; and (3) the local special education expenditures and their possible relationship with other factors. Results indicate that all six districts contributed from local sources to their special education programs, with the actual amounts ranging from $2.16 to $1,030.00 per handicapped pupil; that a positive relationship seemed to exist between the wealth of the school district and the amount of local financial support for special education programs; and that when all sources of financial support were combined, a $1,400 difference per handicapped student existed between the least and the most wealthy school districts. (11 references and 3 tables) (KM)

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Local Districts' Fiscal Contributions to Special Education in Texas

by

Linda Avila, Ph.D.
Assistant Professor
Department of Educational Administration
and Psychological Services
Southwest Texas State University
San Marcos, Texas 78666-4616
(512) 245-3756

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ABSTRACT

To describe to what extent local school districts in Texas contributed local revenue to the operation of their special education programs, an exploratory study was constructed. This study necessitated on-site visits and personal interviews with school administrators directly involved in the special education budgeting process. Qualitative as well as quantitative data were gathered.

Results showed that local funding available per handicapped pupil in low-wealth districts was 475 times less than that available for each handicapped pupil in wealthy school districts. When funding from federal and state sources were supplemented by local funding, the wide variation in local funding for handicapped students was related to large discrepancies in the total amount of funding available to support services for handicapped students.

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LOCAL DISTRICTS' FISCAL CONTRIBUTIONS TO SPECIAL EDUCATION IN TEXAS

Public Law 94-142, though more than a decade old in its implementation, has failed to realize the federal financial support outlined in that legislation. The mandates of P.L. 94-142 with the accompanying lack of federal resources to meet those mandates can cause financial hardships for local education agencies. An exploratory study completed in the 1985-86 school year of several school districts in Texas revealed some interesting data regarding the amount of financing which local districts allocated to their special education programs to supplement available federal and state funding.

Studies of Special Education Funding

Nelson (1983) speculated that the quantity and quality of programs offered through special education were dictated by the funding available rather than by the needs of the handicapped students. From his perspective, districts with more fiscal resources for special education tended to provide more services, while those with fewer resources tended to lower costs by serving students with less rigorous delivery systems. These contentions were supported by the findings of the McCarthy and Sage (1982) study of state-level policymakers

in 19 states. Those interviewed agreed that the amount of money available for special education ultimately determined the types and intensity of services offered.

Several studies (Clemmons, 1974; Kakalik, 1978; Le Brasseur, 1979; Rossmiller, et al. 1971; Rossmiller and Moran, 1973; Rossmiller, 1982; Schrag, 1974) have addressed the issue of the actual costs of special education services. These studies have generally arrived at the conclusions that 1) providing special education services is more costly than providing regular education services and that 2) within special education itself, costs differ on the basis of the handicapping conditions of the students served, the intensity of the services, the variety of related services provided, and other factors.

Only two studies, completed by the Alaska Department of Education (1972) and Vasa and Wendel (1982), seem to have addressed the question of how much financial support local districts offer their special education programs. In the Alaskan study, smaller school districts received proportionately more funding than did larger ones, although the state funding formula had been set up to reimburse all districts for all excess costs imposed by offering special education programs. Vasa and Wendel (1982) reported that the majority of local districts contributed less than one-fourth of their special education budgets from local sources.

Research Questions

To fill the lack of information on the amount of local funding made available for special education programming, an ethnographic exploratory study was conducted in six Texas public school districts to answer the following questions:

1) Do local districts allocate local revenues to special education purposes? If so, on what basis? How much of the district special education budgets are derived from local sources?
2) Are local expenditures for special education related to the average per pupil valuation of the district?
3) Are local expenditures for special education related to other factors, such as percentage of minority students served, numbers of handicapped students served, handicapping conditions of students served, or other factors?

Methodology

Initially a survey was designed and field-tested to gather the data on local spending for special education. After the field-test, however, it became evident that school districts in Texas varied widely on their accounting procedures for local revenues despite a statewide accounting

system prescribed by the Texas Education Agency. Because the statewide accounting system allowed some latitude, districts availed themselves of the options, making comparisons of survey information impossible. The method of study then became one of on-site visits to interview special education directors, district business/financial managers, and superintendents in each of six school districts to obtain the financial data and their perspectives on the formal and informal policies followed to allocate local revenues to special education programming.

The six districts were carefully selected to help assure the generalizability of results, despite the limited sample. Two represented high per pupil valuation wealth; two, mid-range; and two, low wealth. Additionally districts were selected in order that urban, central city, suburban, town, and rural classifications were included, as well as different strata based on an estimate of local revenue supporting each student in the district figured by multiplying the tax rate index and the per pupil valuation. The six resulting districts were located in different geographic areas of Texas and seemed to represent different types of districts.

An interview was constructed, field-tested, and revised before conducting the actual study (see Table 1). In each district, three personnel were interviewed: the superintendent, the special education director,and the business/financial manager. Interviews were taped, as well as scripted.

INSERT TABLE 1 HERE

These interview data were then analyzed repeatedly by searching for similarities and differences, generating initial explanations of interrelationships, and examining these concepts in light of the data gathered. Follow-up phone calls were used to confirm some of the generalizations drawn from the interviews and to collect additional information. Quantitative data collected were used together with the qualitative data to formulate, support, and refine the conclusions drawn.

Results

School district personnel cited P.L. 94-142 and its mandates as impacting the daily operation of special education programs by providing a new source, though small, of additional revenue; causing an influx of more severely handicapped students into the public school system; requiring more involvement and time by special and regular education administrators; and focusing more attention on student/parent rights and due process. In four of the districts, the amount of federal funding ranged from 6% to 11% of the total special education budget; two districts did not apply for the funding, as they believed the amount available not worth the effort to apply. Those districts receiving the federal special education aid saw it as of minimal assistance in meeting

student needs.

Of the six districts, four received state aid for special education programming; the other two received no state funding due to their wealth in terms of per pupil valuation and ability to raise through the local taxes the funding required to operate the districts. In the four which did accept state special education funding, personnel saw this aid as inadequate to meet the needs of students. Overcrowded special education classrooms, a lack of sufficient numbers of special education teachers, and a limitation on services to the mildly handicapped in order to afford services to the more severely handicapped were cited as evidence of the inadequacy of state financial support.

When reviewing the interview responses which addressed the per handicapped pupil amount of funding and characteristics of the school district and/or its population, the most relevant variable seemed to be the number of severely handicapped students served. As perceptions of the numbers of severely handicapped students districts served rose, so did the per pupil allocation in special education. The districts with the smallest proportions of handicapped students also seemed to have higher per handicapped pupil expenditures, although this relationship is clouded by the fact that these were also the wealthier districts which could choose to spend more. Ethnicity of handicapped students seemed to have no relevance, with one of the wealthiest districts which also spent the most from local sources for special education having

a majority of students classified as minority, as did the two least wealthy districts.

Insert Table 2 here

All six school districts contributed from local resources to their special education programs. The actual amounts ranged from $2.16 per handicapped pupil to about $1,030 per handicapped pupil, a difference of over 475 times (see Table 2). Districts in the mid-wealth category outspent the least wealthy from local sources by 18 times or more, while high wealth districts spent approximately double what mid-wealth districts did from local revenues.

The quantitative data seemed to show a positive relationship between the wealth of the school district and the amount of local financial support afforded the special education programs. Interview data supported this conclusion, with personnel in wealthier districts feeling that their special education programs possessed adequate funding, while those in less wealthy districts talked of needs being unmet.

When the amount of local dollars per handicapped pupil in each district was added to the amount of federal and state special education aid, if any, utilized, the disparities in total per handicapped pupil expenditures persisted (see Table 3). When all three sources (federal, state, and local) were

Insert Table 3 here

combined, a difference of almost $1,400 per handicapped pupil existed between the least wealthy and the most wealthy school districts.

Discussion

Wide disparities exist in Texas in the amount of local financial support available for special education programming. These disparities seem to be related to the wealth of the school district as measured by the per pupil valuation. The least wealthy districts spend from local sources approximately 475 times less than the most wealthy in this study per handicapped pupil, as predicted by Nelson (1983).

These disparities widen the gap in the total amounts spent per handicapped pupil, as federal monies are allocated on a per capita basis and are thus constant and as state special education aid is based partially on a state-determined constant per capita figure for students in regular education and weighting factors for various handicapping conditions. Thus, when widely varying amounts of local aid are added to a constant amount of federal funding and an amount of state funding which falls within a predefined range, the local aid caused total per handicapped pupil expenditures in poor districts to be one-half of that in wealthy districts. The system for funding special education in Texas requires some study and adjustment, if all handicapped students are to be afforded more equitable opportunities.

Summary

The amount of study in the area of local financial support for special education programs has been limited to this point in time. This particular research study was limited in its scope because of the inaccessibility of information and was conducted to be an exploration of the issue. Further examination of this issue should be undertaken.

To answer questions about the amount of local tax dollars allocated to special education programs, six Texas school districts were carefully selected to participate in an exploratory study. These districts represented various wealth categories, geographical areas of the state, and sizes of school districts. On-site visits were conducted to collect qualitative, as well as quantitative, data. The data showed that wide disparities existed in the amount of local revenues which were included in budgets for special education programs, ranging from per handicapped pupil expenditures of $2.16 to $1,029.41. When those sums of local revenues were added to those from state and federal sources, gaps in total funding still existed.

With the contraints on state budgets and federal sources of aid at this time, local districts require specific data to support their requests for financial assistance in meeting the needs of handicapped students. It is obvious that the present funding structure, in Texas at least, affords very different levels of financial support to handicapped students. Although

the quality of service cannot be directly related to the expenditures, differences of twice as much financial support logically would make for large differences in the quantity and quality of services received.

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TABLE 1

Interview Questions

1. When did special education services first begin in this district? What were the first services? What was added next? When and why were the others added? Where were the services provided? From where did the funding for those services come?

2. When P.L. 94-142 came into being, how did it affect special education services here in this district? Did it have any effect on special education expenditures? Are there any other factors or events that have had marked effects on special education spending?

3. How is special education financed in your district? What is your opinion of this set-up? What do you think would be the most effective and fairest way to finance special education?

4. What do you think about the federal financial contribution to special education? The state financial contribution? The local financial contribution? Is there local money placed in the financial support of special education? How much? What are some of the difficulties, if any, with financing special education in this district?

5. Who makes the final decisions on the amounts of local money spent for special education? How are those decisions made? On what primary factors do they seem to rest? Are there any persons or groups that influence those decisions?

6. What is the role of special education personnel in building the local budget? What should it be? Who has influence in defining this role? (try to see this person)

7. Do local expenditures for special education fall into some sort of pattern, like heavy expenditures for salaries or some other budget categories? Are the same sorts of patterns evident in regular education local expenditures?

8. How do you feel about the per pupil expenditures in this district for special education? Are they about right for what is needed? Do they need to be higher or lower? How do they compare with per pupil expenditures for regular education involving purely local money? What are the reasons for the differences or similarities? How would you suggest changing funding to bring them into line with what is adequate for special education?

9. Is the Local Fund Assignment for this district fair? Why?

At what level is it set? Does special education funding have any relation to the Local Fund Assignment?

10. Does there seem to be a relationship between the amount of local funds spent on special education and characteristics of the handicapped population, like more severe handicaps, more self-contained students, young ages, etc?

TABLE 2

RANKING OF SIX SELECTED TEXAS DISTRICTS BY AMOUNT OF LOCAL FINANCIAL CONTRIBUTION TO SPECIAL EDUCATION PROGRAMS

1985-86

District	Local Special Education per Pupil Expenditure	Percentage of Total Student Population Classified As Minority	Percentage of Handicapped Students of Minority Status	Percentage of Total Student Population Served in Special Education
A	$ 2.16	70%	76%	14.0%
F	$ 25.47	90%	96%	7.5%
C	$ 458.84	55%	62%	11.9%
B	$ 470.00	58%	47%	14.5%
D	$ 681.00	5%	8%	8.9%
E	$1029.41	76%	60%	6.0%

TABLE 3

PER PUPIL SPECIAL EDUCATION EXPENDITURES

IN SIX SELECTED TEXAS DISTRICTS

1985-86

District	ADA	Wealth Rank in State from Poorest to Wealthiest	Local Special Education Per Pupil Expenditure	Total Combined Special Education Per Pupil Expenditure (Federal, State & local sources)
A	6,800	16	$ 2.16	$1,134.00
F	16,000	11	$ 25.47	$1,263.00
C	10,400	812	$ 458.84	$1,972.00
B	20,500	780	$ 470.00	$1,786.00
D	1,565	1015	$ 681.00	$2,421.00
E	269	1055	$1,029.41	$2,623.00

CREDENTIALS

Linda Avila is currently an assistant professor of educational administration at Southwest Texas State University. Prior to assuming that position, she served as an assistant superintendent for curriculum, a special eduation director, a special education consultant, an elementary principal, and a teacher in both regular and special education classrooms. Dr. Avila received a Master of Education degree from Trinity University and a Ph.D. from the University of Texas.